

AlliSya Rupiah Balanced Fund

February 2016

BLOOMBERG: AZSRPBL:IJ

INVESTMENT OBJECTIVE

The objective of this fund is to achieve conservative long term capital growth while earning relatively stable income.

INVESTMENT STRATEGY

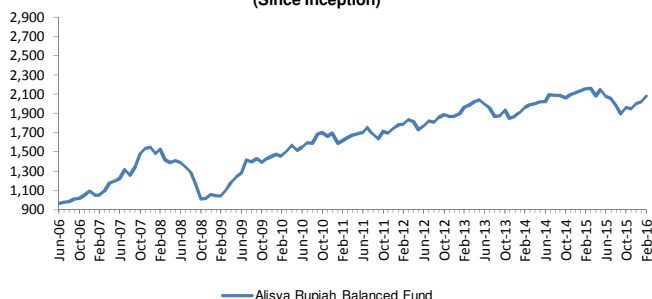
To achieve the investment objectives, this fund shall be invested with a target of 7.5% in short term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), 40% in medium or long term sharia instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 52.5% in the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

PERFORMANCE INDICATOR

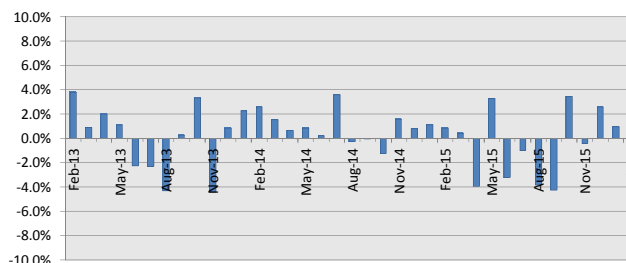
Return Performance		Portfolio Breakdown		Top Holding Bonds		Top Five Stocks Holding	
Last 1-year period	-3.38%	Equity	52.62%	SR005	3.62%	Unilever Indonesia	10.01%
Best Month	10.95% Jul-09	Treasury Bonds	8.27%	PBS001	1.85%	Telekomunikasi Indonesia	9.86%
Worst Month	-14.39% Oct-08	Govt. Related Bonds	0.59%	PBS004	1.39%	Astra International	7.81%
		Mutual Fund Fixed Income	2.94%	PBS002	0.72%	Indofood CBP Sukses Makmur	2.43%
		Cash/Deposit Sharia	35.58%	IFR06	0.70%	Indofood Sukses Makmur	2.08%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
AlliSya Rupiah Balanced Fund	3.03%	6.71%	5.23%	-3.38%	5.99%	4.00%	108.33%

Unit Price Curve of AlliSya Rupiah Balanced Fund (Since Inception)



Monthly Performance of AlliSya Rupiah Balanced Fund


KEY FUND FACTS

Fund Size (in bn IDR) : IDR 496.72
Risk Profile : Moderate Investor
Launch Date : 25 Apr 2006
Fund Currency : Indonesian IDR
Managed by : PT. Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of Feb 29, 2016) : **Bid** IDR 1,979.11 **Offer** IDR 2,083.28
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced February's deflation at -0.09% mom (vs consensus -0.16%, +0.51% in Jan 2016) mostly were caused by lower food ingredients, housing, water, electricity also natural gas and fuel prices. On yearly basis, inflation printed at 4.42% YoY (vs consensus 4.36%, 3.14% in Jan 2016). Core inflation printed at +3.62% YoY, unchanged from previous month (vs consensus 3.59%, +3.62% in Jan 2016). In the Board of Governors' Meeting on Feb 18th, 2016, Bank Indonesia cut its reference rate by 25bps to 7%, Lending Facility to 7.5% as well as facility rate (FASBI) to 5%. Rupiah appreciated against USD by +3.26% to 13,395 at end of February compared to previous month 13,846. Trade balance was surplus +0.05bn USD (non-oil and gas surplus +0.16bn, oil and gas deficit -0.11bn USD) in Jan 2016. Export decreased by -20.72% YoY mostly driven from export in natural oil, while imports decreased by -17.15% YoY. FX Reserves increased +2.41bn USD from 102.13bn USD in Jan 2016 to 104.54bn USD in Feb 2016 on the back of offshore inflow to the bond market.

IDR government bond yields closed in mixed movement all across the curve in Feb 2016. Better than expected 4Q 2015 GDP (expanded 5.04% yoy vs consensus 4.80%, and from revised 3Q 4.74%) gave positive sentiment. Market fell on the last week in February on the back of market sell-off due to Asian stocks fell on renewed concern Chinese economy as well as lower oil prices. Indonesia's GDP growth target at 5.3% YoY for 2016, vs 4.79% YoY in 2015. Government also wants to lower bank lending rates which in line with the central bank rate. Indonesia's financial services authority, known as OJK, set the new maximum limit of 100bps above BI benchmark rate for lender with core capital between IDR 5tn-30tn (known as BUKU III lenders). The limit for BUKU IV or banks with core capital above IDR 30tn will set at 75bps. The new percentages are lower than the existing time deposit rate cap, which was first imposed by the OJK in October 2014 of 200 bps for BUKU IV and 225 bps for BUKU III. Offshore accounts increased their holding by IDR 9.46Tn in Feb 2016 (+1.64% MoM), from IDR 578.32Tn as of Jan 2016 to IDR 587.78Tn as of Feb 2016, which brought their holding to 38.98% of total outstanding tradable government bond (from 38.94% in the previous month). The 5Y yield Feb 2016 was lower by -31bps to 7.96% (8.27% in Jan 2016), 10Y tenor unchanged at 8.25% (8.25% in Jan 2016), 15Y tenor higher by +7bps to 8.62% (8.55% in Jan 2016) and 20Y tenor lower by -4bps to 8.65% (8.69% in Jan 2016).

The JII (Jakarta Islamic Index) closed higher in February at 641.86, gaining +4.75% MoM. Large cap stocks such as UNVR, ASII, ICBP, INDF, and LPPF contributed to the MoM gain, all of which rose by +21.32%, +5.43%, +9.00%, +13.71%, and +15.47% MoM respectively. Foreign investment appetite into Indonesian Market rebounded in February, which was driven by better than expected Indonesia's 4Q15 GDP growth of 5.04% YoY. Better government infra spending absorption became the key driver of economic growth and is expected to continue until 1H16. Lower BI rate of 25bps and potential fuel and electricity price cuts in March/April 2016 will give positive impact on people's purchasing power as well as better utilization rates within the manufacturing industry. Risk remains on whether the current government can introduce business friendly policy introduction and implementation. Sector wise, the Consumer Sector was the best performing sector this month, gaining by +9.76% MoM. UNVR (Unilever) and INDF (Indofood) were the movers; appreciating by +21.32% and +13.71% MoM respectively. This was followed by the Mining Sector that posted +6.33% MoM gains, driven by ITMG (Indo Tambang) and ADRO (Adaro Energy) which rose +40.33% and +15.24% MoM respectively. On the flip side, Trading and Distribution Sector was the worst performing sector this month, falling by -2.15% MoM. UNTR (United Tractor) and CMNP (Citra Marga Nusaphala) were the laggards, falling -10.78% and -20.09% MoM respectively.

Disclaimer:

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